

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 06490 01 OF 02 281858Z
ACTION EB-08

INFO OCT-01 IO-13 ISO-00 STRE-00 DOEE-00 SSO-00 NSCE-00
INRE-00 ICAE-00 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04
NSAE-00 PA-01 CTME-00 AID-05 SS-15 STR-07 ITC-01
TRSE-00 SP-02 SOE-02 OMB-01 DOE-15 AF-10 ARA-10
EA-10 EUR-12 NEA-10 /150 W
-----095745 281915Z /42

O 281841Z APR 78
FM USMISSION GENEVA
TO SECSTATE WASHDC IMMEDIATE 9014
INFO ALL EC CAPITALS

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 06490

USMTN

USEEC

PASS STR ELECTRONICALLY FOR AMBASSADOR WOLFF AND KELLY

E.O.11652:N/A
TAGS: ETRD, MTN
SUBJECT: POSSIBLE EC WITHDRAWAL LIST

REF: A) GENEVA 6397, B) GENEVA 6402

1. SEPTTEL CONTAINS PRELIMINARY MTN DEL ANALYSIS OF EC POSSIBLE WITHDRAWAL LIST. THIS MESSAGE OUTLINES IMPLICATIONS OF ALTERNATIVE COURSES OF ACTION OPEN TO US. OUR RECOMMENDATIONS ARE IN PARA 4(B) BELOW. REQUEST THIS MESSAGE PLUS REFTELS AND SEPTTEL ANALYSIS BE TAKEN TO AMBASSADOR MCDONALD IN ATLANTA (BY BONANNO STR) FOR HIS VIEWS OR CONCURRENCE THIS WEEKEND.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 06490 01 OF 02 281858Z

2. WHILE WE HAVE KNOWN FOR MONTHS THAT EC WAS WORKING ON AN EXCEPTIONS/POSSIBLE WITHDRAWAL LIST AND WE HAD ADVANCE NOTICE OF EC INTENT TO CIRCULATE IT, NATURE OF OUR RESPONSE COULD HAVE IMPORTANT IMPACT ON BOTH THE ATMOSPHERICS OF THE MTN AND SUBSTANCE OF NEGOTIATIONS OVER THE COMING WEEKS, NOT ONLY WITH EC BUT OTHER KEY MTN PARTICIPANTS AS WELL. DECISION ON WHETHER TO RESPOND AND, IF SO, NATURE OF THAT

RESPONSE THEREFORE NEEDS TO BE CAREFULLY CONSIDERED.

3. BECAUSE OF EC DECISION TO CIRCULATE ITS POSSIBLE WITHDRAWAL LIST TO ALL MTN PARTICIPANTS, WE DO NOT HAVE THE LUXURY OF JUST A BILATERAL U.S.-EC CONSULTATION/NEGOTIATION TO RESOLVE THE MEANING OF THEIR ACTION; ALL OTHERS, ESPECIALLY JAPAN AND CANADA, WILL BE WATCHING CLOSELY HOW WE RESPOND. MOREOVER, PROBLEM IS COMPOUNDED BY EC PRESS LEAKS OUT OF BRUSSELS ON PRODUCT CONTENT OF ITS LIST AND BY EC HAVING GONE PUBLIC WITH A PRESS STATEMENT (REF B) THAT CONTAINS ACCUSATION THAT COMPENSATION OFFERED BY U.S. ON LOW DUTY ITEMS IS "CONTRARY TO THE PRINCIPLE OF THE TARIFF REDUCTION FORMULA THAT HAS BEEN AGREED." (THIS CHARGE IGNORES PARAGRAPH 4 OF THE PAINFULLY-NEGOTIATED U.S.-EC WORKING HYPOTHESIS.)

4. RANGE OF OPTIONS OPEN TO US INCLUDE:

(A) DO NOTHING EITHER PUBLICLY OR PRIVATELY.
RATIONALE: EC TECHNICALLY HAS DONE NOTHING. THEIR MID-JANUARY OFFER IS STILL ON THE TABLE, EC HAS CONFIRMED IT IS WAITING FOR RESPONSE TO ITS REQUESTS FOR IMPROVEMENTS IN OUR AND OTHERS' OFFERS, AND ALL WE GOT ON APRIL 27 WAS A NOTICE THAT THERE WILL BE EC WITHDRAWALS IF EC ISN'T SATISFIED WITH IMPROVEMENTS. ADVANTAGES: AVOIDS PROVOKING CRISES WITH EC AT LEAST UNTIL WE HAVE HAD A GO AT GETTING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 06490 01 OF 02 281858Z

MAJOR IMPROVEMENTS IN JAPAN'S OFFERS DURING MAY. DISADVANTAGE: POSSIBLE EC MISREADING OF U.S. SILENCE AS INDICATING RELAXED ATTITUDE TOWARD EC WITHDRAWALS OF THIS SCOPE; INCREASED DIFFICULTY OF EXTRACTING MAJOR JAPANESE IMPROVEMENTS IN FACE OF EC VIRTUAL REJECTION OF GREATER-THAN-FORMULA CUTS; AND RISK OF DOMESTIC U.S. RESTIVENESS ABOUT KEEPING OUR OFFER ON THE TABLE IN THE FACE OF EC ANNOUNCEMENT.

(B) U.S. LOW-KEY OFFICIAL RESPONSE TO EC ALONG LINES OF WE'VE TAKEN NOTE, HAVE SOME CONCERN ABOUT EXCESSIVE IMPACT OF POSSIBLE WITHDRAWALS ON U.S. EXPORTS TO EC BUT LOOK TO NEGOTIATING PROCESS TO RESOLVE OUR DIFFERENCES WHEN BOTH SIDES ARE READY TO PRESENT RESPONSES TO OUR RESPECTIVE REQUESTS FOR IMPROVEMENTS. OBJECTION TO INACCURATE ACCUSATION IN EC PRESS STATEMENT COULD ALSO BE COMMUNICATED INFORMALLY. ADVANTAGES SAME AS (A) ABOVE PLUS AVOIDS FIRST DISADVANTAGE UNDER (A) ABOVE.

(C) REACT MORE STRONGLY BOTH BILATERALLY AND PUBLICLY. WE COULD EXPRESS CONCERN THAT EC APPEARS TO HAVE SINGLED OUT U.S. TRADE INTEREST ITEMS FOR POSSIBLE WITHDRAWALS,

SUGGEST EC SEEMS TO BE RENEGING ON PARA 4 OF U.S.-EC WORK-
ING HYPOTHESIS AND EXPRESS OUR DISPLEASURE ABOUT NEGOTIAT-
ING VIA PRESS STATEMENTS. ADVANTAGES LARGELY FOR DOMESTIC
CONSUMPTION AND SOME REASSURANCE TO OUR OTHER TRADING
PARTNERS THAT WE ARE NOT PREPARED TO ACCEPT A SUBSTANTIAL
EROSION OF TARIFF REDUCTION OBJECTIVES WITHOUT RESISTANCE.
DISADVANTAGE: MAY PROVOKE U.S.-EC CRISIS WHEN, IN FACT,
NOTHING DRASTIC HAS HAPPENED.

(D) FORMAL PROTEST AND COUNTER-THREATS (E.G., ON
SAFEGUARDS, CUSTOMS VALUATION) PLUS PRESS RELEASE THAT WE
HAVE DONE SO. ADVANTAGES: WE DON'T REALLY SEE ANY OTHER
THAN THERAPEUTIC VALUE OF LETTING OFF STEAM. DISADVANTAGE:
A FULL-BLOWN CRISIS.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 GENEVA 06490 01 OF 02 281858Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 GENEVA 06490 02 OF 02 281858Z
ACTION EB-08

INFO OCT-01 IO-13 ISO-00 STRE-00 DOEE-00 SSO-00 NSCE-00
INRE-00 ICAE-00 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04
NSAE-00 PA-01 CTME-00 AID-05 SS-15 STR-07 ITC-01
TRSE-00 SP-02 SOE-02 OMB-01 DOE-15 AF-10 ARA-10
EA-10 EUR-12 NEA-10 /150 W
-----095760 281915Z /42

O 281841Z APR 78
FM USMISSION GENEVA
TO SECSTATE WASHDC IMMEDIATE 9015
INFO ALL EC CAPITALS

LIMITED OFFICIAL USE SECTION 02 OF 02 GENEVA 06490

5. WE FAVOR COURSE OF ACTION SUGGESTED IN PARA 4(B).
CULBERT

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TARIFFS, EXCEPTIONS LIST
Control Number: n/a
Copy: SINGLE
Draft Date: 28 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA06490
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780182-0721
Format: TEL
From: GENEVA USMTN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978046/aaaaaeni.tel
Line Count: 168
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e06ba1b0-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 GENEVA 6397, 78 GENEVA 6402
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2977165
Secure: OPEN
Status: NATIVE
Subject: POSSIBLE EC WITHDRAWAL LIST
TAGS: ETRD, MTN
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/e06ba1b0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014